

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND  
(BALTIMORE DIVISION)

PEERLESS INSURANCE COMPANY,

PLAINTIFF,

v.

CASE NO. 1:18-CV-1040

WEO CONSTRUCTION,

DEFENDANT.

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**COMPLAINT**

Plaintiff, Peerless Insurance Company (“Peerless”), a New Hampshire corporation, sues Defendant, WEO Construction (“WEO”), a Maryland corporation, and says:

**I. JURISDICTION AND PARTIES**

1. This is an action for damages exceeding \$75,000.00 exclusive of interest, costs and attorney's fees, and is within the jurisdiction of this Court pursuant to 28 U.S.C.A. § 1332.

2. Peerless is a New Hampshire corporation, licensed and registered to do business in Maryland as a foreign corporation, whose principal place of business is in Boston, Massachusetts.

3. WEO is a Maryland corporation whose principal place of business is in Baltimore, Baltimore County, Maryland.

4. This Court has jurisdiction of this matter and these parties pursuant to 28 USC § 1332. Venue in this District is proper pursuant to 28 USC § 1391.

## **II. GENERAL ALLEGATIONS**

5. On or about 17 June 2013, Peerless issued a one-year workers' compensation and employers liability policy number WC 4206917 ("13 policy") to WEO for the period of 5 August 2013 to 5 August 2014. A true copy of the 13 policy is attached hereto as Exhibit "A" and incorporated herein.

6. On or about 13 June 2014, Peerless renewed the 13 policy and issued workers compensation policy number WC 4206917 ("14 policy") to WEO for the period of 5 August 2014 to 5 August 2015. A true copy of the 14 policy is attached hereto as Exhibit "B" and incorporated herein.

7. On or about 28 July 2015, Peerless renewed the 14 policy and issued workers compensation policy number WC 4206917 ("15 policy") to WEO for the period of 5 August 2015 to 5 August 2016. A true copy of the 15 policy is attached hereto as Exhibit "C" and incorporated herein.

8. On or about 29 July 2016, Peerless renewed the 15 policy and issued workers compensation policy number WC 4206917 ("16 policy") to WEO for the period of 5 August 2016 to 5 August 2017. A true copy of the 16 policy is attached hereto as Exhibit "D" and incorporated herein.

9. Peerless conducted an audit of the 13 policy on 9 March 2017 pursuant to law and the policy provisions and determined that additional premium was owed in the amount of \$167,490.00. Of the final audited premium for the 13 policy, WEO has paid \$1,059, leaving an unpaid balance of \$166,431.00.

10. Peerless conducted an audit of the 14 policy on 9 March 2017 pursuant to law and the policy provisions and determined that additional premium was owed in the amount of \$218,685.00. Of the final audited premium for the 14 policy, WEO has paid \$1,580.00, leaving an unpaid balance of \$217,105.00.

11. Peerless conducted an audit of the 15 policy on 9 March 2017 pursuant to law and the policy provisions and determined that additional premium was owed in the amount of \$314,849.00. Of the final audited premium for the 15 policy, WEO has paid \$0.00, leaving an unpaid balance of \$314,849.00.

12. Peerless conducted an audit of the 16 policy on 15 August 2017 pursuant to law and the policy provisions and determined that additional premium was owed in the amount of \$307,454.00. Of the final audited premium for the 16 policy, WEO has paid \$9,007.85, leaving an unpaid balance of \$298,439.15.

13. WEO owes a total of \$996,831.15, pursuant to the Statement of Account sent to WEO. A true copy of the Statement of Account is attached hereto as Exhibit "E" and incorporated herein.

14. Peerless has performed all of the obligations required of it pursuant to the policies and applicable law.

15. All conditions precedent have been performed or waived, or have occurred.

**COUNT I: 013 POLICY  
BREACH OF CONTRACT**

16. Peerless re-alleges paragraphs 1 through 5, 6, 9 and 13-15 and incorporates them by reference as if they were here reiterated.

17. The 013 policy is a contract of insurance that contains the respective rights and responsibilities of Peerless, as insurer, and WEO, as insured.

18. According to the 013 policy WEO agreed, among other things, to abide by the terms and conditions of the policy and to pay all retrospective premium adjustments as they became due.

19. WEO has breached its contract of insurance with Peerless by failing to meet its obligation to pay the retrospectively calculated premium due.

20. As a result, Peerless has been damaged in the amount of \$166,431.00.

21. Peerless has retained the undersigned attorneys and must pay them reasonable attorneys' fees for their services.

WHEREFORE, Plaintiff, Peerless Insurance Company, requests judgment against Defendant, WEO Construction, for principal damages of \$166,431.00, interest, costs, attorneys' fees, and other relief deemed appropriate.

**COUNT II: 014 POLICY  
BREACH OF CONTRACT**

22. Peerless re-alleges paragraphs 1 through 4, 6, 10 and 13-15 and incorporates them by reference as if they were here reiterated.

23. The 014 policy is a contract of insurance that contains the respective rights and responsibilities of Peerless, as insurer, and WEO, as insured.

24. According to the 014 policy WEO agreed, among other things, to abide by the terms and conditions of the policy and to pay all retrospective premium adjustments as they became due.

25. WEO has breached its contract of insurance with Peerless by failing to meet its obligation to pay the retrospectively calculated premium due.

26. As a result, Peerless has been damaged in the amount of \$217,105.00.

27. Peerless has retained the undersigned attorneys and must pay them reasonable attorneys' fees for their services.

WHEREFORE, Plaintiff, Peerless Insurance Company, requests judgment against Defendant, WEO Construction, for principal damages of \$217,105.00, interest, costs, attorneys' fees, and other relief deemed appropriate.

**COUNT III: 015 POLICY  
BREACH OF CONTRACT**

28. Peerless re-alleges paragraphs 1 through 4, 6, 10 and 13-15 and incorporates them by reference as if they were here reiterated.

29. The 015 policy is a contract of insurance that contains the respective rights and responsibilities of Peerless, as insurer, and WEO, as insured.

30. According to the 015 policy WEO agreed, among other things, to abide by the terms and conditions of the policy and to pay all retrospective premium adjustments as they became due.

31. WEO has breached its contract of insurance with Peerless by failing to meet its obligation to pay the retrospectively calculated premium due.

32. As a result, Peerless has been damaged in the amount of \$314,849.00.

33. Peerless has retained the undersigned attorneys and must pay them reasonable attorneys' fees for their services.

WHEREFORE, Plaintiff, Peerless Insurance Company, requests judgment against Defendant, WEO Construction, for principal damages of \$314,849.00, interest, costs, attorneys' fees, and other relief deemed appropriate.

**COUNT IV: 016 POLICY  
BREACH OF CONTRACT**

34. Peerless re-alleges paragraphs 1 through 4, 7, 11 and 13-15 and incorporates them by reference as if they were here reiterated.

35. The 016 policy is a contract of insurance that contains the respective rights and responsibilities of Peerless, as insurer, and WEO, as insured.

36. According to the 016 policy WEO agreed, among other things, to abide by the terms and conditions of the policy and to pay all retrospective premium adjustments as they became due.

37. WEO has breached its contract of insurance with Peerless by failing to meet its obligation to pay the retrospectively calculated premium due.

38. As a result, Peerless has been damaged in the amount of \$298,439.15.

39. Peerless has retained the undersigned attorneys and must pay them reasonable attorneys' fees for their services.

WHEREFORE, Plaintiff, Peerless Insurance Company, requests judgment against Defendant, WEO Construction, for principal damages of \$298,439.15, interest, costs, attorneys' fees, and other relief deemed appropriate.

**COUNT V:  
UNJUST ENRICHMENT**

40. Peerless re-alleges paragraphs 1 through 15 and incorporates them by reference as if they were here reiterated.

41. Peerless conferred a benefit on WEO by providing workers' compensation insurance and employer's liability coverage for the latter's business operation, which transferred the risk of industrial accidents, and liability for those accidents, from WEO to Peerless.

42. WEO apprehended the benefits conferred on it by Peerless and accepted and retained the benefits of such risk transference during and after the policy terms.

43. It would be inequitable to permit WEO to reap the benefits of Peerless' services without paying the obligation it owes Peerless, which was calculated pursuant to the contracts of insurance into WEO freely entered.

44. Peerless has retained the undersigned attorneys and must pay them reasonable attorneys' fees for their services.

WHEREFORE, Plaintiff, Peerless Insurance Company, hereby demands a judgment for damages in the principal amount of \$996,831.15, interest, costs, and such further relief this court deems appropriate.

Dated this 10<sup>th</sup> day of April 2017.

Respectfully submitted,

/s/ Mary O. Morris

Mary O. Morris

Maryland Bar No. 26617

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